

in this country, saving them millions of dollars over the last 5 years. But so far, this Congress has been unwilling to spend a few cents more to help the poorest of our working citizens.

I have carefully considered all aspects of this amendment and have come to the conclusion that we have no acceptable alternative. I see the growth of the job market and the strong economy in my State. I see how we have worked in Washington State to ensure that low-wage workers share in this success. I know that this is what our Nation needs. We should follow the lead of my State and the other 20 that have already increased their minimum wages and allow all Americans to share in these benefits.

Overall, this slight increase in the minimum wage would allow a significant portion of our Nation, people who are working hard and playing by the rules, to have an increased opportunity to share in the American dream. They will be able to better support their families and will not have to make unacceptable decisions like whether to buy groceries or pay the rent.

If any of my colleagues oppose this amendment, I would like them to consider living on \$10,700 a year—and not just living on it, but rather, trying to raise a family of 4 on that low income. That would mean having about \$7 a day per person, not adding in all the bills. Now just think about how much you spent on your last meal. If we think of the debate that we are having in these terms, it is clear that raising the minimum wage is the right thing to do.

I urge all of my colleagues to vote in favor of this amendment to increase the minimum wage. Let's show them that we have got our priorities straight, and let's finally give low-income workers the raise that they are long overdue. It is the right thing to do for workers and the right thing to do for our economy.

Mr. KERRY. Mr. President, this is a very important week in the Senate. For much of the week our focus has been on the war in Iraq—a necessary debate that is long overdue. But, today our focus is on a different kind of war: the war on poverty.

Since President Bush took office, the number of Americans living in poverty has increased by 5.4 million, and today 37 million Americans live in poverty, 13 million of whom are children. What is even more disturbing is that over 70 percent of children in poverty live in a home where at least one parent works. So we have a situation in which today in America, millions of children are living in poverty despite the fact that they are in homes with a working adult. In fact the reality is that among full-time, year-round workers, poverty has increased by 50 percent since the late 1970s.

This may be surprising, but if you take a minute to look at what is going on, it is not hard to understand. Consider a single mother of two working a minimum wage job 40 hours a week for

52 weeks a year. Without taking any time off for illness or vacation—she earns just \$10,700 a year—nearly \$6,000 below the Federal poverty line for a family of three.

This is an outrage. And it is not how things should be in America. No American working a full time job should live below the poverty line. If you work hard and play by the rules, you should be able to make a good life for yourself and be able to get ahead. That is the American dream.

Unfortunately, instead of helping people achieve the American dream, our leadership in Washington has repeatedly turned its back on them. Congress has failed to give minimum wage earners a raise in almost a decade. In fact, the real value of the minimum wage—taking into account the impact of inflation—has dropped. Since 1997 when we last raised the minimum wage, the real value of the minimum wage has fallen by 20 percent—effectively reversing all the gains made by the last increase. Never before in the history of the minimum wage have we let so much time lapse before adjusting the minimum wage.

Members of Congress understand the concept of real value. After all, even though Congress has failed to increase the minimum wage since 1997, it has given itself eight annual pay raises. This is indefensible. No Member of the House or Senate should have the gumption to argue in support of a pay raise for themselves and against a pay raise for hardworking Americans.

The Congress should follow the lead of the 12 States that have raised their minimum wages since January 2004. In fact, 17 States and the District of Columbia—representing 45 percent of the U.S. population—have set minimums above the Federal rate of \$5.15. The State of Washington has the highest minimum wage in the country at \$7.63 as of January 1, 2006. Oregon's is \$7.50. My own State of Massachusetts is considering a minimum wage of \$8.25. And the city of Santa Fe, NM has a minimum wage of \$9.50.

Of course, not all States have taken the minimum wage so seriously. Thirty-three States have a minimum wage at or even below the Federal level. That is why we need a Federal minimum wage. The value of an hour of the same work should not vary State to State. We have a national poverty crisis, and we need a national solution.

It is time for Congress to get its priorities straight.

America's minimum wage isn't rising, but other basic costs for families are. Since President Bush took office, the cost of family health insurance has risen more than 70 percent, or an average of \$4,500 per family. Six million more Americans are uninsured because they cannot afford coverage.

Since President Bush took office, gas prices have more than doubled. In many places the price of gas exceeds \$3.00 per gallon—something many working Americans have to buy just to

get to work. In my home State of Massachusetts working families have faced gas price increases of \$1.41 a gallon—a 94 percent increase. Yet rather than rewarding work, the Republican leadership would rather reward oil and gas companies with sweetheart deals.

Since President Bush took office, the cost of a 4-year college education has increased by nearly \$8,000, or 57 percent, at public universities and nearly \$21,000, 32 percent, at private universities. Yet instead of working to ensure that American families can afford to send their kids to college, our Republican leadership is more interested in working to cut \$12 billion from college student aid, increasing the costs of loans; and freezing Pell grants for higher education.

These are the wrong priorities. Raising the minimum wage is not just an economic issue; it is a moral issue. It is a question of values. And this is a values debate I think we need to have. The question is whether we value those who work hard and play by the rules and whether we will fight to ensure they receive a livable wage.

Don't be fooled by the side-by-side amendment that my colleague from Wyoming has introduced. It does not value those who work hard and play by the rules. Yes, it increases the minimum wage by \$1.10, but it is loaded with poison pills that actually decrease the number of people who are eligible for the minimum wage. It cuts overtime pay, and would deny more than 10 million workers the minimum wage, overtime pay, and equal pay rights they currently receive. Rather than giving hard-working Americans a step up, it would force many more further into poverty. That is hardly the American way.

Before I end, I would like to take a moment to dispel a common myth about the minimum wage. Some argue that increasing the minimum wage will hurt small businesses. That is simply not the case. A new study from the Center for American Progress and Policy Matters in Ohio found that the "11 States with a minimum wage above the Federal minimum wage . . . had higher rates of small business growth between 1997 and 2003." That is right—more growth. Small business employment in those States grew by 9.4 percent while small business employment in States with the Federal minimum wage grew by only 6.6 percent. What this report reveals is that having a higher minimum wage does not impair the growth of small businesses.

This is not new news. In 1999, a Levy Institute survey of small businesses revealed that more than three-quarters of the firms surveyed said their employment practices would not be affected by an increase in the minimum wage. In fact, jobless rates fell after the last minimum-wage increase.

Mr. President, it is time for us to give the working people of America the respect they deserve. It is time for Congress to give working Americans a pay